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SUBJECT: FRENCH VIEW ON EU BIOFUELS SUSTAINABILITY

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¶1. (SBU) Summary. France continues to press to conclude the climate and energy package before the end of its EU presidency as a step towards consolidating an EU position before the UNFCCC Poznan meeting in December 2008. France supports in principle the biofuel targets in the current draft of the EU climate change package, provided second-generation biofuel technologies develop further. It is also favorable to the Renewable Energy Directive on limiting the indirect environmental impact of biofuel production, but is aware of the difficulties of implementation. France remains open to dialogue but is non-committal on the use of science-based sustainability criteria. End Summary

Biofuel targets in EU Climate Change Bill

¶2. (SBU) Per reftel, we discussed biofuel sustainability issues with French Ministries of Agriculture, Foreign Affairs, and Ecology, Energy and Sustainable Development (MEEDDAT) officials and with the French Agency for Environment and Energy Management (ADEME) as well as the Institut Francais du Petrole on September 29.

¶3. (SBU) In line with the European Council, Parliament, and Commission, France supported the EU objective of 10 percent use of renewable energies including biofuels to satisfy road transport needs by 2020. France's national target for biofuels incorporation in transportation is 5.75 percent in 2008, 6.25 percent in 2009 and 7 percent in 2010.

¶4. (SBU) France agreed to the 10 percent road transportation fuel (RTF) target from renewable sources by 2020 (a fifth should be from biofuels) as voted by the European Parliament's industrial committee in September and approved by the Commission as part of the draft climate package. That measure also includes a revision clause allowing for target reassessment in several years, possibly 2015. France wants the option of appraising second generation biofuel technologies that, if available and sufficiently developed, would increase the chances of achieving the 10 percent goal by 2020. If the transition away from first generation biofuels is not feasible, France agrees the EU should consider cutting the renewables-in-transport target to 5 percent, without specifying how much should come from biofuels, renewable electricity, or hydrogen.

15. (SBU) The head of MEEDDAT's Office for Petroleum Industries and New Energy Products said that France is feeling pressure regarding the large-scale use of first generation crop-based biofuels, and their impact on the fight against poverty, carbon emissions and deforestation. Additionally, the European Parliament has pushed EU governments toward more alternative green technologies such as electricity and hydrogen-powered vehicles and away from biofuels. Reflecting this trend, France's draft 2009 budget bill would reduce tax exemptions for biofuels starting in 2009, with complete elimination by 2012.

EU Renewable Energy Directive (RED)

16. (SBU) France supports the provisions of Article 15 of the RED which specify a 35 percent minimum cut-off value for life-cycle GHG savings (increasing to 50 percent in 2015) from biofuels over fossil petrol and diesel in order to be eligible for financial support, and to count toward compliance with the Directive's renewable energy obligations concerning national targets. This applies to third-country imports as well. France agrees that other criteria stipulated in Article 15 should be taken into account in calculating the environmental impact of biofuels, but is aware that this will be difficult. Article 15.3 notes that no biofuels should be made from raw material obtained on land with high biodiversity value or high carbon stock.

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These provisions are designed to limit the indirect environmental impact of biofuel development and fulfill requirements of EC Regulation 1782/2003 under the CAP.

17. (SBU) MinAg contacts say they want to ensure the viability of the French biofuels producers and industry. They hope that the Council's non-binding position on Article 15 environmental and societal criteria will prevail over the more rigorous standards supported by the European Parliament. The French confirm their intention of reaching an agreement on the Renewable Energy Directive before the end of the EU Presidency, but MinAg interlocutors informally express doubts on the feasibility of this goal in light of the tight calendar.

18. (SBU) The MEEDDAT official noted that sustainability criteria can be extended to ensure biofuel production from non-EU supplier countries does not run counter to EU general legal and environmental practices in areas such as deforestation, child labor, and safety and health laws. France expects to release this year Part One of its findings on national practices, methods, and materials used in calculating baseline biofuel life-cycle figures, and a complete national report by the end of the first quarter of 2009.

Standards and Compatibility

19. (SBU) The Fuel Quality Directive (FQD) currently under discussion also deals with renewable fuel. The European Parliament and Council are working to ensure the GHG criteria are the same in both FQD and RED directives.

110. (SBU) Foreign Affairs and MEEDDAT officials

confirmed that France shares U.S. views on the importance of ensuring that standards remain compatible with existing bilateral and multilateral agreements, and with the international certification system. We underscored the importance of ongoing U.S.-EU efforts in the Global Bio-Energy Partnership, the usefulness of continuing cooperation with EU scientific experts, and the need for compatible science-based sustainability criteria. This was also echoed in a September 25 meeting between U.S. Environment Protection Agency and ADEME.

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